

GLOSSARY

Account: The detailed record of a particular asset, liability, owners' equity, revenue or expense.

Accrual basis: Where revenue and expenses are recorded in the period in which they are earned or incurred regardless of whether cash is received or disbursed in that period.

Ad valorem tax: Commonly referred to as property tax; levied on both real and personal property according to the property's valuation and the tax rate.

Annualize: Taking changes that occurred mid-year and calculating their cost for a full year, for the purpose of preparing an annual budget.

Appropriated fund balance: The estimated fund balance appropriated into the annual budget.

Appropriation: A legal authorization to incur obligations and make expenditures for specific purposes.

Approved budget: The final budget the Board of County Commissioners adopts by July 1.

Assessed valuation: Set upon property by the Assessor as a basis for levying property taxes.

Asset: Anything owned by an individual or a business, which has commercial or exchange value.

Balanced budget: Where revenues and expenditures are budgeted at equal amounts.

Base budget: Cost if continuing the existing levels of service.

Basis of accounting: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

Basis of budgeting: The annual budget is prepared on the modified accrual basis of accounting as required by North Carolina law.

Board of County Commissioners (BOCC): The governing body of Durham County, consisting of five commissioners elected at-large and serving for four year terms.

Bond: A written promise to repay debt on a specific date in the future, along with payment of a specified amount of interest at predetermined intervals while the debt is outstanding.

Bond agency fees: Fees charged by bond agencies for services related to debt issuance.

Bond covenant: Provision in a bond or debt contract which require the debt issuer to meet certain standards or do certain things.

Bond rating: Grade indicating a unit's investment qualities; Ratings range from AAA (highest) to D (lowest).

Budget: Plan of financial activity for a specific period of time indicating all planned revenues and expenses for the budget period.

Budget amendment: A means for the County Commissioners to recognize new revenues or expenditures and amend the operating budget.

Cafeteria plan: An employee benefit in which options are presented for health care insurance and related services.

Capital expenditure (or outlay): Fixed asset which has a value of \$5,000 or more and has a useful economic lifetime of more than one year.

Capital Improvement Program (CIP): Long-range plan which outlines major capital needs and the means of financing proposed acquisitions.

Certificates of participation: Shares in a debt obligation created by a capital lease that are sold to or placed with investors. The certificates are secured by the property financed with the debt.

Code: System of numbering accounts and transactions in order to produce desired information. *See Commitment Item.*

Commitment Item: Accounting code used to classify and expenditure or a revenue. Examples include; 5100011000 – Salary, 5200110200 – Telephone, 4100200600 – 2006 Property tax revenue.

Constant dollars: Actual dollar amounts adjusted for inflation.

Contingency: A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

Debt: Money or other property lent or borrowed and that must be repaid or returned. Debt may be outstanding for a short term (one year or less) or for a long term (one year or more).

Debt service: Cost of paying principal and interest on borrowed money according to a predetermined payment schedule.

Department: The organizational units of County government which provide specific services.

Designated fund balance: Designations of fund balance represent tentative management plans that are subject to change.

Elected Officials: Positions decided upon by voters and include the Board of County Commissioners, Sheriff, and Register of Deeds.

Employee benefits: Benefits beyond salary compensation including healthcare, retirement, disability, life insurance, etc.

Encumbrances: A reservation of budget authority for a particular purpose. An encumbrance typically occurs when a purchase order or contract is approved.

Enterprise fund: A separate fund that accounts for a government-owned enterprise such as solid waste or water-sewer systems.

Expenditure: Payment of cash on the transfer of property or services for the purpose of acquiring an asset, service, or settling a loss.

Federal and State Revenues: Funds received from federal, state, and other local government sources.

Fire district: Special district taxes are levied for fire protection in seven districts: Bethesda, Lebanon, Parkwood, Redwood, New Hope, Eno, and Bahama.

Fiscal year: A declared accounting year, not necessarily a calendar year. The fiscal year for Durham County is July 1 – June 30.

Fixed asset: Assets of long-term character that are intended to continue to be held or used; such as land, buildings, furniture, and other equipment.

Full-time equivalent (FTE): A position count that calculates workforce by number of hours worked relative to a standard working schedule. For instance, a part-time worker may be considered .5 FTE.

Function: Grouping of agencies that provide similar services. For example the “Public Safety” function includes the Sheriff, EMS, Criminal Justice Resource Center, Fire Marshal, and Emergency Communication among others.

Fund: Fiscal entity with revenues and expenses that are segregated for the purpose of carrying out a specific purpose or activity.

Fund balance: Funds accumulated through the under expenditure of appropriations and/or the act of exceeding anticipated revenue.

GAAP: Generally Accepted Accounting Principles.

GASB: Government Accounting Standards Board. More information at <http://www.gasb.org/>

General Fund: The main operating fund accounting for governmental functions supported by general taxes and revenues, and financial resources that legal requirements do not require to be accounted for in another fund.

General obligation bonds: Bond that is backed by the full faith, credit, and taxing power of the government.

Goal: A broad statement of desired conditions to be maintained or achieved through the efforts of an organization; standard against which progress is measured.

Grant: Gift of money from one organization to another.

Intergovernmental revenues: Funds received from federal, state, and other local government sources.

Internal service fund: A fund that may be used to account for any activity that provides goods or services to other departments or funds within the same government.

Lease: A contract where a party being the owner (lessor) of an asset (leased asset) provides the asset for use by the lessee at a consideration (rentals), either fixed or dependent on any variables, for a certain period (lease period), either fixed or flexible, with an understanding that at the end of such period, the asset, subject to the embedded options of the lease, will be either returned to the lessor or disposed off as per the lessor's instructions.

Liability: A loan, expense, or any other form of claim on the assets of an entity that must be paid or otherwise honored by that entity

Mission: The mission of Durham County Government is to enhance the quality of life for its citizens by providing education; safety and security, health and human services; economic development; and cultural and recreational resources.

Modified accrual basis: Under this accounting basis, revenues are considered available when collectible either during the current period or after the end of the current period but in time to pay year-end liabilities. Expenditures are recognized when a transaction or event is expected to draw upon current spendable resources rather than future resources.

Net assets: The difference between total assets and current liabilities including non-capitalized long-term liabilities.

Object of expenditure: An expenditure classification related to the type of goods or services purchased such as office supplies.

Objective: A specific statement of desired results which represents a single step in the achievement of a goal. Objectives are measurable and can be accomplished within a specific interval of time.

Other Financing Sources: A revenue category containing appropriated fund balance and transfers from other funds.

Operating expense: Cost for personnel, materials, and equipment required for a department to function.

Ordinance: A legal document adopted by the governing body setting policy and procedures.

Pass-through funds: Funds from other jurisdictions, such as the federal government, which are used often for specific purpose or activity administered by the county.

Performance budget: A budget in which expenditures are based primarily upon measurable performance of activities and work programs.

Performance indicator: Specific quantitative and qualitative measures of work performed.

Personal property: Classified within two divisions; "Tangible" property includes items that are visible and movable, "Intangible" property includes stocks, bonds, bank deposits, etc.

Personal services: Expenditures for salaries, wages, and fringe benefits.

Agency: Group of related activities performed by one or more organizational units (fund centers) for the purpose of accomplishing a function for which the government is responsible.

Property taxes: Levied on real and personal property and set at a rate of cents on each dollar of value of the property.

Real property: Land, buildings, and items permanently affixed to land or buildings.

Reappraisal (or revaluation): The process of revaluing a jurisdiction's real property in order to adjust the tax value to the market value.

Reclassification: A change in the classification and corresponding job title of an existing position which results from a major change in assigned responsibilities.

Recommended budget: The County Manager presents a recommended budget to the BOCC based on requests for funding from departments. It must be provided to the BOCC by June 1.

Reserved fund balance: Amounts that are not appropriable or are legally segregated for a specific purpose.

Revenue: Any type of funds that can be used to pay for expenses. Types of revenue include property taxes, sales taxes, state funds, federal funds, grant funds, fees, interest earnings, loans, etc.

Revenue bonds: Bond secured by and repaid from specific and limited revenues. The pledged revenues are most often net revenues or earnings from a self-supporting utility or enterprise.

Service level: The amount of service provided during a fiscal year as indicated by one or more performance indicators.

Special assessments: Charges to property owners which finance public improvements or services deemed to benefit specific properties.

Special revenue fund: A fund used to account for the proceeds of special revenue sources (other than for capital projects) that are legally restricted to expenditures for specific purpose.

Statute: North Carolina state laws.

Tax levy: Revenue produced by applying a given tax rate to a property's assessed, or tax, value.

Transfers In/Out: Amounts transferred from one fund to another to assist in financing the services for the recipient fund.

Trend: A trend is a continuing direction of movement of a chronological series of data charted on a graph.

Trust fund: Used to account for assets the County holds on behalf of others.

Undesignated fund balance: The amount of fund balance which is available for future appropriations.

User charges: Payment of a fee for direct receipt of a public service by the party who benefits from the service.

BUDGET AND AMENDMENT PROCESS

OVERVIEW

The budget process is designed to ensure that taxpayer dollars are efficiently and effectively utilized to fairly deliver essential governmental services. The Budget Office serves as a coordinating resource to the Board of County Commissioners (BOCC), County Manager, departments, nonprofit organizations, and citizens who each play a pivotal role in the budget creation and review process. Through the budget, Durham County fulfills its mission to enhance the quality of life for its citizens by providing education; public safety and security, health and human services; economic development; and cultural and recreational resources in the County.

GOVERNING STATUTES

The North Carolina Local Government Budget and Fiscal Control Act provides the legal framework in which all cities and counties in the state conduct their budgetary processes. The legislation is found in Chapter 159 of the General Statutes and establishes several important dates and provisions including:

- *By April 30* – Departments must submit requests to the budget officer (NCGS § 159-10)
- *By June 1* – Recommended budget must be submitted to Commissioners (NCGS § 159-11 (b))
- *Before adoption* – A public hearing must be held (NCGS § 159-12(b))
- *By July 1* – From 10 days after submitted to the Board, but by July 1, a balanced budget must be adopted (NCGS § 159-13 (a))

BUDGET PROCESS

All Durham County departments are required to submit requests for appropriation to the county manager on or before March 15th of each year. This is done through a customized version of SAP software that compiles requested revenues, expenditures, and new positions from each department. The Budget & Management Services department is responsible for advising and supporting county departments throughout the entire budget process, performing budget software maintenance and training, publishing recommended and approved budget documents, analyzing and assisting in the Manager's recommendation of requests, updating and distributing a budget manual, among other important duties.

The Budget Office, under the direction of the county manager, uses the departmental requests as the starting point for developing a recommended budget. Departments are asked to provide a continuation budget and identify expansion items through a priority ranking system. This information is ultimately reviewed and adjusted in order to create a balanced recommended budget that the county manager presents to the commissioners for review prior to May 31st of each year. The board is required to hold public hearings on the recommended budget and to adopt a final budget no later than June 30, the close of Durham's County's fiscal year. The BOCC typically holds multiple budget work sessions to address issues in the recommended budget. As required by North Carolina law, the BOCC adopts a budget ordinance setting a tax rate and spending authority for the fiscal year.

AMENDMENT PROCESS

The adopted budget is prepared by fund, function (e.g., public safety), and department/ agency (e.g., sheriff). However, the appropriations are formally budgeted and approved on a functional basis. The county manager is authorized to transfer budget amounts within a function up to 15% cumulatively without reporting to the BOCC. The county manager is authorized to transfer budget amounts between functions of the same fund up to \$20,000 with an official report of such transfer being made at the next regular meeting of the BOCC. Departments routinely submit budget amendments as agenda items to the BOCC after review by the Budget Office. The amendments are typically placed on the consent agenda, but can be pulled for discussion. Upon approval by the BOCC, the Budget Office updates the financial system to reflect the amendment.

FY 2006-07 Budget Calendar

Thursday	January 12, 2006	Board of County Commissioners Annual Retreat
Friday	January 13	Distribution of Nonprofit Agency application materials
Tuesday & Wednesday	January 17 & 18	Newspaper Advertisements - Nonprofit Agency Application process
	January 17- January 25	SEM (Strategic Enterprise Management) Training (new budget preparation module in SAP system)
Monday	February 6	Distribution of Budget Materials/Manual to Departments (via County Intranet)-Position Cost Planning (PCP) information for departmental verification via e-mail
Friday	February 17	Departments submit PCP changes to Budget Analysts
Monday	February 20	SEM Budget System open for entry of Department Budget Requests
Friday	February 24	Departments submit to Budget Office: <u>Preliminary Position Request</u> form for new positions ; and <u>Information Technology Request</u> form (new requests only, not replacements) to Bonnie Simons in IT (form e-mailed to Departments by IT).
Friday	March 3	Nonprofit Agency Applications due by 4pm to Budget Office
Friday	March 3	Human Resources finalizes PCP changes-new PCP Plan run
Friday	March 17	Departmental Budget Requests DUE TO BUDGET OFFICE - Entered into SEM System (Transmittal Letter, Performance Measures, and Other Supporting Documentation not included on SEM System should be sent via e-mail to Budget Analyst)

Friday	March 17	Superintendent's Recommended Budget Request for Durham Public Schools (as submitted to Board of Education)
Monday-Friday	March 20-March 31	Budget Department Review and Analysis of Departmental Budget Requests
Friday-Thursday	March 31-April 13	<u>Departmental Budget Presentations with County Manager or respective Deputy Manager and Budget Office</u>
Monday	March 27	Budget Director, Finance Director, Tax Administrator, Tax Assessor and Tax Collector develop revenue estimates for all funds, tax and fire districts
Friday	April 7	Volunteer Fire Districts submit requests to Fire Marshal and Budget Office
Monday	April 10	Human Resources submits preliminary compensation recommendations to the County Manager
Monday	April 10	Budget Staff begins Recommended Budget preparation
Friday	April 28	Durham Public Schools submit School Board's request to County Manager
Monday	May 22	County Manager delivers Recommended Budget to Board of County Commissioners and Notice of Public Hearing to be published
Tuesday-Friday	May 30-June 16	BOCC Budget Work sessions (specific dates to be scheduled)
Monday	June 12	Board holds Public Hearing on Recommended Budget
Monday	June 26	Board Adoption FY 2006-07 Operating Budget Ordinance
Monday	July 3, 2006	FY 2006-07 Budget available in SAP System

FY 2006 - 2007 NON-PROFIT BUDGET REQUEST BY MISSION

	Function Organization	FY 05-06 Adopted Budget	FY 06-07 Requested Budget	FY 06-07 BOCC Adopted Budget
	CULTURE & RECREATION - is comprised of cultural & recreational activities maintained for the benefit of residents and visitors.			
1	Eno River Association (Festival on the Eno) is dedicated to the preservation of the Eno River Valley through educational and scientific means. Sponsors educational presentations; historic & scientific research concerning the Eno River Valley.	\$12,350	\$15,000	\$12,350
2	Doc Arts, Inc.--Full Frame Documentary Film Festival brings films, filmmakers and film lovers, from around the world, together for four days in downtown Durham for a cultural experience that would not be available otherwise.	\$5,000	\$25,000	\$0
3	Historic Preservation Society of Durham preserves the historic, architectural and culture heritage of Durham and Durham County. Grant will nominate Bahama Historic Distric with the National Register and complete State Study List application for the proposed White Cross Historic District.	\$0	\$15,000	\$0
4	Triangle Jazz Society is dedicated to the support, encouragement and presentation of live jazz in all its varieties.	NEW	\$35,000	\$0
	TOTAL CULTURE & RECREATION	\$17,350	\$90,000	\$12,350
	HUMAN SERVICES - a function which is charged with expenditures for the public welfare including public health, mental health, hospitals, and social services.			
5	AIDS Community Residence Association (ACRA) serves individuals and families living with HIV/AIDS by providing diverse, supportive housing options and supportive services (case management, treatment adherence, emergency rent and utility assistance).	NEW	\$24,960	\$0
6	Alliance of AIDS Services- Carolina (formerly AIDS Service Agency of North Carolina, Inc.) provides direct services, HIV/STD prevention education, outreach and faith ministries programs. Provides supportive services to clients needing housing, nutrition, drugs, medical information & participation in clinical trials.	\$0	\$5,000	\$0
7	American Red Cross "Emergency Services" provides disaster services to County residents through "Single Family Fire Assistance Program" and "Together We Prepare Shelter Project."	\$5,000	\$10,000	\$10,000
8	Center for Employment Training's Building Maintenance Service Technician course for Minority Males program is an accredited job skills training and placement program for poor adults and older youth.	\$0	\$50,000	\$0

FY 2006 - 2007 NON-PROFIT BUDGET REQUEST BY MISSION

	Function Organization	FY 05-06 Adopted Budget	FY 06-07 Requested Budget	FY 06-07 BOCC Adopted Budget
9	Coordinating Council for Senior Citizens plans, advocates, coordinates and provides comprehensive and accessible activities and services to encourage the highest level of well-being of older adults.	\$135,188	\$350,000	\$128,429
10	Durham Crisis Response Center(was ARISE and Rape Crisis of Durham now combined) works with agencies and individuals in Durham County to prevent and respond to domestic violence. DCRC provides a continuum of direct services tailored to meet the needs of victim survivors and increase public understanding of the impact of domestic violence. DCRC serves only citizens of Durham County.	\$46,730	\$48,200	\$48,200
11	Durham Literacy Center's mission is to promote quality literacy programs among adults. It provides individual tutoring & small group instruction and plays an independent & collaborative role in workforce preparedness. Durham's growing immigrant community continues to seek literacy services.	\$14,963	\$32,500	\$14,215
12	El Centro Hispano provides a youth program, Jovenes Lideres en Accion, which provides tutoring, life skills training, educational workshops, and youth leadership opportunities. Linkages with Community Resources Program provides an array of community resource referrals, monthly workshops, and employment opportunities to the adult Latino community.	NEW	\$45,000	\$10,000
13	El Futuro will provide affordable, culturally sensitive mental health and substance abuse treatments services for up to 30 Durham residents.	NEW	\$5,000	\$0
14	Family and Youth Achievement Center provides services to children with mental health and developmental disabilities and supports their families in ways that minimize the need for out of home placement and decrease disruption in the community, homes, and schools.	NEW	\$5,000	\$0
15	Family Counseling Service's mission is to restore, support, and promote well-being for families in our community. The CHANGE programs improve community & family safety by treating domestic violence offenders through a highly structured program, follow-up and communication with courts, prosecutors and probation office.	\$14,963	\$16,000	\$14,215
16	Family Support Network of Northern Piedmont enhances the lives of children (birth- school age) with special needs by working with their families and the professionals who serve them. Provides Parent to Parent program matching experienced parents with parents seeking support and resource information.	NEW	\$8,000	\$5,000

FY 2006 - 2007 NON-PROFIT BUDGET REQUEST BY MISSION

	Function Organization	FY 05-06 Adopted Budget	FY 06-07 Requested Budget	FY 06-07 BOCC Adopted Budget
17	First in Families of North Carolina improves the lives of people with developmental disabilities by advancing the family support concepts of self-determination and community.	NEW	\$9,750	\$0
18	Food Bank of Central & Eastern NC accumulates and distributes high quality perishable and non-perishable food and non-food essentials to nonprofit agencies serving the hungry.	NEW	\$20,000	\$10,000
19	Genesis Home breaks the cycles of homelessness & poverty by providing a safe supportive environment & access to a range of services for children & their families that can be used to strengthen their capacities. Genesis Home has two programs: Family Matters is the transitional housing program; and KidSpace is the on-site child care center.	\$19,950	\$22,000	\$22,000
20	Inter-Faith Food Shuttle recovers, prepares, and distributes wholesome, perishable food for the area's poor, hungry, and undernourished and homeless.	NEW	\$75,000	\$5,000
21	Love and Respect Recovery House seeks to teach homeless, recovering addicts the power of self-control, with the benefits of living a responsible, drug-free lifestyle.	NEW	\$50,000	\$0
22	Meals on Wheels of Durham, Inc. mission is to provide nourishment to those people who cannot provide for themselves due to illness, old age, or handicap.	\$9,975	\$12,000	\$9,975
23	Money Wise (Durham Regional Financial Center is fiscal agent) provides fiscal literacy, access to financial services and wealth building opportunities.	\$5,000	\$20,000	\$0
24	NCCU--Senior Aides -expands employment opportunities for seniors by assigning them to various community service agencies where they assist with programs & services while updating their skills.	\$28,500	\$28,500	\$28,500
25	Operation Breakthrough's Family Empowerment Action to Self-Sufficiency (FEATS) program assists families and individuals with basic skills training, job readiness, housing issues, money management, case management, and counseling services.	\$97,375	\$197,794	\$100,000
26	Piedmont Wildlife Center Rehabilitation Program provides quality care for wildlife found in need of assistance, includes surveillance of causes of wildlife morbidity and mortality improving knowledge of significant wildlife diseases within our area's wildlife and decreasing intervention time.	\$5,000	\$20,000	\$5,000
27	Planned Parenthood of Central North Carolina-Confianza Program- Provide family planning services and a pregnancy prevention program for Latinos in Durham County.	\$4,641	\$55,000	\$20,000

FY 2006 - 2007 NON-PROFIT BUDGET REQUEST BY MISSION

	Function Organization	FY 05-06 Adopted Budget	FY 06-07 Requested Budget	FY 06-07 BOCC Adopted Budget
28	Sales and Service Training Center at Northgate provides retail and customer service training to unemployed individuals and assists employers in finding and hiring trained, competent workers	NEW	\$54,290	\$0
29	Senior PHARMAssist mission is to educate senior citizens about preventive health measures, consult with seniors & healthcare providers about safe & effective medication use; provide financial assistance for necessary medications to seniors with low incomes. Provide referral information concerning other community resources. The goal of Senior PHARMAssist is to help older adults, who have very limited financial means, remain healthy, active, & independent as possible.	\$89,775	\$95,000	\$94,264
30	Triangle Radio Reading Services provides current local information to blind, visually impaired & print impaired residents. Keeping theses challenged citizens informed, they can overcome the sense of isolation & lack of information they suffer due to their inability to absorb printed matter. A 24-hour service is offered to over 1,880 listeners.	\$3,713	\$4,500	\$4,275
31	Triangle Residential Options for Substance Abusers (TROSA) assists in changing lives and increasing law-abiding behavior by providing a self-supporting, two-year, residential self-help community serving offenders and substance abusers at no cost to the individual.	\$0	\$35,000	\$24,000
32	Urban Ministries of Durham Community Shelter's mission is to serve it's clientele with warm hearts, human concern, & to alleviate human suffering. The Shelter offers support services to assist each individual to achieve his or her own highest level of self-sufficiency.	\$154,875	\$160,000	\$160,000
33	Women-In-Action mission is to prevent the occasions & conditions that may breed or incite violence, including poverty & racism, and promote positive race relations. The program provides information & referral services, advocacy, & emergency financial assistance to low income families, elderly & disabled who are without or facing the loss of basic necessities.	\$31,500	\$35,000	\$29,925
	TOTAL HUMAN SERVICES	\$667,148	\$1,493,494	\$742,998
	TOTAL OTHER BUDGET REQUEST	\$684,498	\$1,583,494	\$755,348

FY 2006 - 2007 NON-PROFIT BUDGET REQUEST BY MISSION

FY 2006 YOUTH RELATED NON-PROFIT REQUEST

	Function Organization	FY 05-06 Adopted Budget	FY 06-07 Requested Budget	FY 06-07 BOCC Adopted Budget
	CULTURE & RECREATION - is comprised of cultural & recreational activities maintained for the benefit of residents and visitors.			
34	SeeSaw Studio is an art and design program that immerses talented and motivated youth in the business of art and the art of business. Works with youth who enroll directly and court-referred youth.	NEW	\$12,000	\$5,000
	TOTAL CULTURE & RECREATION	\$0	\$12,000	\$5,000
	EDUCATION - is a function which provides direct financial support to the public school systems within the county.			
35	Achievement Academy of Durham provides at-risk, low reading students currently living in poverty with the means to enable, enhance and empower their lives and community by providing a program that supplies what they need to achieve a GED and post-secondary education.	NEW	\$5,000	\$5,000
36	Durham Literacy Center's GED Program will provide "pre-GED" and GED instruction and work readiness for out-of-school youth ages 16-18.	\$32,000	\$50,000	\$15,200
37	John Avery Boys & Girls Club's Project Learn inspires and enables youth from disadvantaged circumstances to engage in viable youth development programs and activities to realize their potential as productive, responsible and caring citizens.	\$35,000	\$60,000	\$40,000
38	DPS Dept of Community Education-Encore! Afterschool Program for Middle School Youth provides positive, educational, social and recreational alternatives for middle school students after school. Transportation is also provided.	\$89,775	\$94,500	\$94,264
39	Piedmont Wildlife Center provides services to Durham County students in grades K-8 to assist them in meeting the "NC Standard Course of Study" science competency goals and to assist them in making wise decisions about the way they interact with wildlife and their natural environment.	\$0	\$15,000	\$0
40	Read Seed provides early childhood literacy intervention for low income families through book ownership.	\$15,000	\$18,000	\$10,000
41	Schoolhouse of Wonder offers a series of programs at West Point on the Eno Park to local elementary students on natural and cultural history.	\$0	\$15,000	\$0
42	The Shodor Education Foundation-Computational Science Outreach Program seeks to expose more of Durham County's middle and high school students to computational science.	NEW	\$4,979	\$5,000

FY 2006 - 2007 NON-PROFIT BUDGET REQUEST BY MISSION

FY 2006 YOUTH RELATED NON-PROFIT REQUEST

	Function Organization	FY 05-06 Adopted Budget	FY 06-07 Requested Budget	FY 06-07 BOCC Adopted Budget
43	Victorious Community Development Corporation-Victorious Saturday Academy -provides academic enrichment, career exploration, creative and visual arts, and life skills.	NEW	\$15,000	\$0
44	Youth Transitions provides GED tutorial/preparation for youth who dropped out of school from 7th-12 grades.	NEW	\$25,000	\$0
	TOTAL EDUCATION	\$171,775	\$302,479	\$169,464
	HUMAN SERVICES - a function which is charged with expenditures for the public welfare including public health, mental health, hospitals, and social services.			
45	Bell Yeager Community Enrichment Center will provide a youth guidance program, We Believe NU, which will encompass workshops on drug, alcohol, and tobacco education, career counseling, arts & craft projects with themes designed to inspire anti-gang/anti-drug involvement	NEW	\$5,000	\$0
46	Big Brothers Big Sisters of the Triangle (formerly BBBS of Durham & Orange Counties) provides community-based and school-based mentoring and guidance to aid in overall and psychological development of children.	\$35,000	\$35,000	\$35,000
47	Child Advocacy Commission of Durham, Inc. provides legal and advocacy assistance for children at risk of abuse, neglect, dependency, and delinquency. Through referrals, the agency provides counseling, mediation, negotiation, and direct representation before agencies and the court.	\$31,421	\$50,000	\$33,000
48	Child Care Services Association (Durham Day Care Council) provides child care referral & consultation services, subsidies to help low & moderate income working families, support services that help child care providers operate more efficiently, technical assistance to child care centers and public policy research/advocacy of early care/education.	\$29,626	\$46,568	\$29,626
49	Child and Parent Support Service's Inc. serves families with children aged birth to five 1) to improve parenting skills by providing education & encouragement about how to discipline without yelling or hitting; 2) help children learn social skills, problem solving skills, & constructive ways to deal with feelings; 3) provide parent education services to other health & human services; and 4) to intervene early in families before problems begin.	\$8,800	\$16,000	\$9,240
50	Communities in Schools of Durham recruits, trains, screen & trains responsible adults to serve as mentors for at-risk elementary school students in Northeast Central Durham and the South End with the goals of reducing the school dropout rate and providing early intervention of gang involvement.	NEW	\$24,216	\$0

FY 2006 - 2007 NON-PROFIT BUDGET REQUEST BY MISSION

FY 2006 YOUTH RELATED NON-PROFIT REQUEST

	Function Organization	FY 05-06 Adopted Budget	FY 06-07 Requested Budget	FY 06-07 BOCC Adopted Budget
51	Durham Companion's mission is to recruit, screen, & train caring, responsible, adults to serve as mentors for at-risk youth. Youths referred to the program are between the ages of 6-17. Referrals include Juvenile Court Counselors, Law Enforcement Officers, school officials, and other professionals.	\$4,750	\$25,000	\$4,512
52	Durham Council for Children with Special Needs goal is to ensure that children from birth to age five with special needs receive services to enable them to reach their potential. The agency provides 1) intervention services; 2) services to support parents; and 3) utilize existing resources & avoid duplication of services.	\$10,000	\$14,000	\$10,000
53	Durham County Teen Court and Restitution mission is to offer prevention & intervention strategies that hold youth accountable for their offenses, provide resources to families, & recognize victim's rights. Teen Court educates youth about the legal system & the consequences of criminal behavior in order to deter youth from criminal behavior & to reduce recidivism. The Restitution Program accepts delinquents from juvenile court who are court ordered to complete a specified number of community service hours.	\$35,000	\$35,000	\$35,000
54	Exchange Clubs Child Abuse Prevention Center in Durham mission is to strengthen Durham families and prevent child abuse through family support, counseling, and community education programs.	NEW	\$119,991	\$0
55	KB Career Services, Inc. provides intensive employment and life skills training to teens. The program will provide professional skills development involving dress and appearance, interviewing, basic office computer skills, and job-shadowing.	\$5,000	\$75,000	\$0
56	Project Graduation is an annual substance free, all night party given in honor of Durham Public Schools graduates & their guest who have signed a contract not to use tobacco products, alcohol, or any other unhealthy/illegal substances. Volunteers chaperon and prizes are supplied by local vendors.	\$5,700	\$6,000	\$4,200
57	P.R.O.U.D Program seeks to develop responsible behavior among Durham's young people and to deter court-referred youth from becoming repeat offenders.	NEW	\$40,000	\$0
58	St. Joseph's Historic Foundation-Take a Stand: Voices of Change Program is a community-based drug prevention program for children ages K-12. Through activities to build a sense of personal responsibility for self and community, the project focuses on four key areas that help students develop skills that will make them less likely to engage in a wide-range of high-risk behaviors.	NEW	\$40,000	\$0

FY 2006 - 2007 NON-PROFIT BUDGET REQUEST BY MISSION

FY 2006 YOUTH RELATED NON-PROFIT REQUEST

	Function Organization	FY 05-06 Adopted Budget	FY 06-07 Requested Budget	FY 06-07 BOCC Adopted Budget
59	Salvation Army, Durham Corps will establish a targeted outreach and teen center for problematic older youth in Durham County. Will provide structured recreational, athletic, and personal development programs during evening and weekend hours to address issues of gang violence, juvenile delinquency, drug use, teen pregnancy, etc.	NEW	\$54,260	\$0
60	Volunteer Center of Durham provide the following mentoring programs to Durham youth: Big Sib Mentoring Program, Friendly Visitor Program, Adolescent Parenting Program, and DSS Tutoring Program.	NEW	\$11,375	\$0
	TOTAL HUMAN SERVICES	\$165,297	\$597,410	\$160,578

FY 2006-2007 TOTAL NON-PROFIT FUNDING

	TOTAL OTHER REQUEST	\$684,498	\$1,583,494	\$755,348
	TOTAL YOUTH RELATED REQUEST	\$337,072	\$911,889	\$335,042
	TOTAL <u>ALL</u> NON-PROFITS	\$1,021,570	\$2,495,383	\$1,090,390

CAPITAL IMPROVEMENT PLAN (CIP) OVERVIEW

Note: The following is presented as supplementary information to the fiscal year 2006 – 2007 annual operating budget as a convenience to the reader. A separate CIP and financial plan is published every two years and is available at www.durhamcountync.gov or by contacting the Budget Office at (919) 560-0018.

Background

The County maintains a 10-year Capital Improvement plan (CIP), which is fully updated every two years. The last major update of the plan was approved in June 2005 for fiscal years 2006-2015. The plan itself provides a blueprint which the County uses to meet the growing facility needs of the schools, libraries, museum, court system, public safety, human service agencies, and open space. The CIP also provides a financial overview of the financing options for the existing capital projects as well as those not yet implemented capital projects projected in the 10-year plan.

Description of Process

While it presents a 10-year plan, the projects and estimated costs are subject to change. Financing options are reviewed, as well as the projects and their estimated costs by an internal CIP committee composed of representatives from the County Manager's Office, Budget, Finance, Information Technology, General Services, Fire Marshall and Engineering departments. The Board of County Commissioners approves the CIP separately from the Annual Operating Budget. Projects in the CIP are linked to the Annual Operating Budget through annual debt service appropriations and County contribution funding (pay-as-you-go). These annual appropriations are detailed each budget year in the Capital Financing Plan Fund and Debt Service Fund sections of the budget document.

Impact of CIP on Operating Budget

When capital projects come online, they have potential new costs which can include: new personnel and operating expenses such as utilities, technology, security, and maintenance. The CIP does not fund related operational costs, rather, they are considered in the annual budget request for the department managing the capital project. In years where capital improvement projects are completed or become operational, special attention is given to the potential impacts on the budget process. This is assessed on a per project basis with the potential impact planned by the lead agency on the project and other relevant departments such as Information Technology and General Services who respectively support the technology and maintenance needs of buildings and staff. For instance, the opening of two regional libraries in the FY2006-2007 budget has translated into additional staff and operating support in the Library system annual operating budget. Other affected departments plan their budget requests in line to ensure they can provide services to any new or expansion items realized through completion of CIP projects.

Project Listing

The summary table on the following page includes projects and projected annual costs from the CIP. Greater detail on all projects, timelines, and costs is available in the separate publication "Durham County Capital Improvement Plan Fiscal Years 2006 – 2015". For more information about the Durham County CIP, email budget@durhamcountync.gov or visit the Durham County website at www.durhamcountync.gov.

Durham County
2006-2015
Capital Improvement Plan Summary of Projects

Project	Prior Years	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	Grand Total
New Justice Center	\$10,021,455	\$2,800,000	\$0	\$15,320,978	\$14,504,470	\$22,742,910	\$26,820,344	\$0	\$0	\$0	\$0	\$92,210,157
American Tobacco	\$14,502,000	\$2,709,000	\$2,289,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$19,500,000
Judicial Building Renovation	\$631,872	\$0	\$0	\$0	\$1,046,220	\$262,303	\$3,541,690	\$6,353,184	\$0	\$0	\$0	\$11,835,269
IT-ERP Finance System	\$3,425,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,425,000
IT-Replacement Sched.	\$3,100,000	\$1,535,200	\$1,137,500	\$1,044,500	\$2,297,730	\$1,598,450	\$1,148,350	\$2,399,060	\$1,465,580	\$1,428,840	\$1,847,250	\$19,002,460
IT-Telecommunications System (Voice Over IP)	\$1,406,895	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,406,895
Whitted School/Head Start Relocation	\$926,650	\$181,250	\$1,181,250	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,289,150
Animal Shelter Renovation	\$1,628,402	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,628,402
Animal Control Facility	\$0	\$633,073	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$633,073
EMS-Relocation of LCHC	\$1,493,250	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,493,250
EMS-Lebanon Purchase	\$901,848	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$901,848
EMS-Station #5	\$0	\$0	\$750,066	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$750,066
Sheriff-Training Center & Driving Range	\$0	\$0	\$0	\$0	\$1,500,000	\$1,300,000	\$1,800,000	\$0	\$0	\$0	\$0	\$4,600,000
Sheriff-Detention Center Annex	\$0	\$200,000	\$550,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$750,000
Sheriff-Finger Printing	\$0	\$50,000	\$443,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$493,500
Public Safety-800 minz Radio System Upgrade	\$0	\$4,000,000	\$1,790,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,790,000
Joint E-911 Center	\$0	\$0	\$0	\$200,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$200,000
CJRC Renovation	\$501,946	\$0	\$0	\$1,578,577	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,080,523
Open Space Land Acquisition	\$700,000	\$2,050,000	\$1,050,000	\$550,000	\$550,000	\$550,000	\$550,000	\$550,000	\$550,000	\$550,000	\$550,000	\$8,200,000
Timberlake Rail Trail	\$0	\$1,500,000	\$0	\$0	\$0	\$50,000	\$400,000	\$400,000	\$0	\$0	\$0	\$2,350,000
Water Extensions	\$0	\$0	\$0	\$772,437	\$0	\$1,367,466	\$1,955,495	\$0	\$0	\$0	\$0	\$4,095,398
Sewer Extensions	\$0	\$0	\$0	\$0	\$0	\$8,846,266	\$3,133,689	\$6,050,908	\$3,550,634	\$0	\$0	\$21,581,497
Agriculture Bldg. Renovations	\$802,006	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$802,006
Human Services Complex	\$510,107	\$4,352,758	\$1,452,153	\$16,951,871	\$20,980,517	\$15,510,919	\$18,004,440	\$464,202	\$0	\$0	\$0	\$78,226,967
Community Shelter Renovation	\$1,982,895	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,982,895
Senior Center	\$5,567,061	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,567,061
DTCC-Newton Bldg Expansion	\$0	\$0	\$320,000	\$1,360,000	\$2,320,000	\$0	\$0	\$0	\$0	\$0	\$0	\$4,000,000
DTCC-Campus Improvements	\$1,200,000	\$1,680,000	\$2,320,000	\$2,000,000	\$1,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$8,200,000
DTCC-Northern Durham Center Expansion	\$0	\$0	\$420,000	\$580,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,000,000
DTCC-Student Services Bldg	\$9,300,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,300,000
DTCC-Main Campus Expansion	\$0	\$0	\$0	\$2,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,000,000
Durham Public Schools	\$81,263,275	\$44,180,940	\$0	\$35,000,000	\$0	\$43,843,323	\$0	\$43,843,323	\$0	\$43,843,324	\$0	\$291,974,185
Capital Projects Contingency	\$0	\$4,000,000	\$0	\$0	\$0	\$844,132	\$2,604,774	\$5,088,143	\$0	\$0	\$0	\$4,000,000
Main Library Renovations	\$0	\$0	\$0	\$300,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$8,837,049
East Regional Branch	\$6,708,909	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,708,909
South Regional Branch	\$3,984,906	\$1,702,356	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,687,262
Southwest Branch	\$600,000	\$224,424	\$1,466,151	\$1,073,929	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,364,504
North Regional Branch	\$5,905,807	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,905,807
Stanford L. Warren Branch	\$1,216,650	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,216,650
NC Museum of Life & Science BioQuest	\$10,970,000	\$0	\$0	\$3,691,894	\$225,711	\$5,904,884	\$146,020	\$3,907,269	\$0	\$0	\$0	\$24,845,778
Waste Water Treatment Plant Improvements	\$35,626,815	\$8,110,400	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$43,737,215
Collection System Rehabilitation	\$800,000	\$100,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$0	\$0	\$0	\$0	\$3,400,000
Reused Waste Water Facilities	\$200,000	\$150,000	\$0	\$0	\$0	\$150,000	\$1,900,000	\$0	\$0	\$0	\$0	\$2,400,000
Grand Total	\$205,877,749	\$80,159,401	\$15,669,620	\$82,924,185	\$44,924,648	\$103,470,654	\$62,504,802	\$69,056,089	\$5,566,214	\$45,822,164	\$2,397,250	\$718,372,775

HIGHLIGHTS OF FISCAL POLICIES

Cash Management

- The Director of Finance, as Chief Investment Officer, and the Investment Manager shall invest all funds of the County according to four criteria, in order of their importance: (1) legality, (2) safety and security, (3) liquidity, and (4) yield.
- The County will collect, deposit and disburse all funds on a schedule that insures optimum cash availability.
- Investment performance will be measured using standard indices specified in the County's written investment policy.

Debt Management

- The County will not use long-term debt to fund current operations and will continue to emphasize "pay as you go" capital financing.
- Whenever the County finds it necessary to issue General Obligation Bonds (GOs), the following policy will be adhered to:
 - GO Bonds are bonds that are supported by the promise of the borrowing government to levy whatever amount of tax is necessary to pay principal and interest and be enforced by legal action of any bondholder.
 - Interest earnings on the designated fund balances will only be used to pay debt service on the bonds.
 - The term of any bond issue will not exceed the useful life of the capital project/facility or equipment for which the borrowing is intended.
- Whenever the County finds it necessary to issue revenue bonds, the following guidelines will be adhered to:
 - Revenue bonds are defined as bonds on which the debt service is payable solely from the revenue generated from the operation of the project being financed or a category of facilities, or from other non-tax sources of the County.
 - Interest earnings on the designated fund balances will only be used to pay debt service on the bonds.
 - The term of debt issued will not exceed the useful life of the capital project / facility of equipment for which the borrowing is intended.

Fiscal Planning

- The County Manager will budget revenues and expenditures on the basis of a fiscal year which begins July 1 and ends on the following June 30 and in conformity with the Local Budget and Fiscal Control Act.
- The County Manager shall provide annually a Budget Preparation Schedule outlining the preparation timelines for the proposed budget.
- The proposed budget will be balanced (e.g., estimated revenues plus appropriated fund balance equaling estimated expenditures).
- Performance measurement and productivity indicators will be integrated into the budget process where appropriate.
- Department heads and elected officials are required to monitor revenues and expenditures in relation to their department's (agency's) budgeted amount. This is to ensure that the actual revenue sources are as projected for funding resources and to prevent exceeding their total departmental expenditure budget.
- The County shall establish Memorandum of Understanding with its component unit(s) regarding the amount of annual General Fund support received each fiscal year.
- The County Manager will submit an updated ten-year Capital Improvement Plan (CIP) the Board of County Commissioners every two years. A review of the financing plan and debt service related to the CIP will be performed as part of the annual budget process.

The above fiscal policies have not been formally approved by the Board of County Commissioners and should be viewed as operating guidelines.

Fund Balance

- Durham County's Undesignated General Fund Balance will be maintained to provide the County with sufficient working capital and a comfortable margin of safety to address emergencies and unexpected declines in revenue without borrowing.
- The Undesignated General Fund Balance goal will be eight percent (8.0%) of total actual prior fiscal year expenditures. These funds can only be appropriated by a resolution of the BOCC.
- A Total Fund Balance ratio of 14% (LGC requires 8%) shall be the goal.

Purchasing

- All purchases shall be made in accordance with the County's purchasing policies and procedures and applicable State and Federal laws. The County will endeavor to obtain supplies, equipment and services as economically as possible.
- The County shall pay all invoices within thirty (30) days of receipt in accordance with the prompt payment requirements unless problems arise in the payment of any invoices and/or circumstances arise beyond the County's control.

Revenues and Collections

- The County's goal is a revenue system balanced between ad-valorem taxes, other local taxes, licenses and permits, intergovernmental, investment and rental, charges for services, and other revenue sources.
- The County will monitor all taxes to insure they are equitably administered and collections are timely and accurate.
- Fees and charges should be based on benefits and/or privileges received from the County or based on costs of a particular service.
- The County's goal is to achieve an annual assessment to sales ratio of 100% under current real estate market conditions when the January 1st assessment is compared to sales in the succeeding calendar year.

The above fiscal policies have not been formally approved by the Board of County Commissioners and should be viewed as operating guidelines.

Statement of Revenues, Expenditures, and Changes in Fund Balance

General Funds

	FY 2004-2005 Actual	FY 2005-2006 Estimate	FY 2006-2007 Budget
Revenues			
Taxes	213,718,822	212,278,008	229,199,974
Licenses and permits	971,283	736,429	803,000
Intergovernmental revenues	92,394,143	81,637,965	63,037,272
Contributions and Donations			1,770,648
Investment and rental income	3,233,111	2,280,410	3,275,688
Charges for service	38,856,346	37,902,738	42,477,828
Other revenues	11,139,896	13,373,570	14,413,939
Fund Balance appropriated			14,232,400
Total revenues	360,313,601	348,209,120	369,210,749
Expenditures			
General government	24,009,035	25,542,308	27,906,398
Public safety	38,528,939	39,597,012	46,774,859
Transportation	12,500	12,500	12,500
Economic and physical development	2,672,842	2,521,978	3,521,209
Environmental protection	2,403,268	2,754,540	3,223,524
Human services	155,505,806	133,863,849	137,225,357
Education	83,044,943	89,560,342	94,805,984
Cultural and recreational	7,492,517	8,129,903	10,668,585
Nondepartmental	11,197,360	14,905,552	14,777,943
Capital projects			
Debt service			
Principal retirement			
Interest and fiscal charges			
Total expenditures	324,867,210	316,887,984	338,916,359
Excess (deficiency) of revenues over (under) expenditures	35,446,391	31,321,136	30,294,390
Other financing sources (uses)			
Transfers in	2,166,455	5,440,336	7,316,494
Transfers out	(36,302,874)	(38,681,782)	(33,592,021)
Proceeds from issuance of installment purchases		2,105,000	
Total other financing sources (uses)	(34,136,419)	(31,136,446)	(26,275,527)
Net change in fund balances	1,309,972	184,690	4,018,863
Fund Balance - beginning, previously reported	61,458,054	67,536,591	67,721,281
Prior period adjustment	4,768,565		
	66,226,619	67,536,591	67,721,281
Fund Balance - ending	\$67,536,591	\$67,721,281	\$71,740,144

*The Intergovernmental revenues and Human Services function excludes pass-through funding.

The 2005-06 Estimate column is based on unaudited end of the year estimations at the time of publication.

Statement of Revenues, Expenditures, and Changes in Fund Balance
Special Revenue Funds

	FY 2004-2005 Actual	FY 2005-2006 Estimate	FY 2006-2007 Budget
Revenues			
Taxes	4,059,243	4,315,164	4,186,974
Licenses and permits	3,093,750	4,584,320	
Intergovernmental revenues			
Investment and rental income	80,958	27,492	11,620
Charges for service	1,274,211	1,504,413	1,274,211
Other revenues			
Fund Balance appropriated			666,817
Total revenues	8,508,162	10,431,389	6,139,622
Expenditures			
General government	21,513	34,273	
Public safety	4,283,177	6,781,053	4,178,854
Transportation			
Economic and physical development	313,489	313,264	307,162
Environmental protection			
Human services			
Education			
Cultural and recreational			
Nondepartmental			
Debt service			
Principal retirement			
Interest and fiscal charges			
Total expenditures	4,618,179	7,128,590	4,486,016
Excess (deficiency) of revenues over (under) expenditures	3,889,983	3,302,799	1,653,606
Other financing sources (uses)			
Transfers in	150,000		
Transfers out	(856,455)	(1,119,569)	(1,653,606)
Total other financing sources (uses)	(706,455)	(1,119,569)	(1,653,606)
Net change in fund balances	3,183,528	2,183,230	0
Fund Balance - beginning	4,607,970	7,791,498	9,974,728
Fund Balance - ending	\$7,791,498	\$9,974,728	\$9,974,728

The 2005-06 Estimate column is based on unaudited end of the year estimations at the time of publication.

Statement of Revenues, Expenditures, and Changes in Fund Balance
Debt Service Fund

	FY 2004-2005 Actual	FY 2005-2006 Estimate	FY 2006-2007 Budget
Revenues			
Taxes			
Licenses and permits			
Intergovernmental revenues			6,970,000
Investment and rental income	368,385	388,071	76,400
Charges for service			246,321
Other revenues			1
Fund Balance appropriated			50,000
Total revenues	368,385	388,071	7,342,722
Expenditures			
General government			
Public safety			
Transportation			
Economic and physical development			
Environmental protection			
Human services			
Education			
Cultural and recreational			
Nondepartmental			
Debt service			
Principal retirement	21,476,140	22,706,085	17,716,212
Interest and fiscal charges	13,440,112	12,616,640	12,880,454
Other debt service			9,975,201
Total expenditures	34,916,252	35,322,725	40,571,867
Excess (deficiency) of revenues over (under) expenditures	(34,547,867)	(34,934,654)	(33,229,145)
Other financing sources (uses)			
Transfers in	33,323,645	34,930,552	33,229,145
Transfers out			
Total other financing sources (uses)	33,323,645	34,930,552	33,229,145
Net change in fund balances	(1,224,222)	(4,102)	0
Fund Balance - beginning	1,361,766	137,544	133,442
Fund Balance - ending	\$137,544	\$133,442	\$133,442

The 2005-06 Estimate column is based on unaudited end of the year estimations at the time of publication.

DURHAM COUNTY

As early as colonial days the area known as Durham County was important to North Carolina history.

Durham began as a railroad station and settlement named for Dr. Bartlett Durham. While the official birth date is April 26, 1853, when the U.S. Post Office was established, the town was not incorporated until April 10, 1869. The tobacco manufacturing industry focused worldwide attention on the area after the Civil War. As a result of this thriving business Durham grew and prospered tremendously.

In 1881, Durham officials sought to become an autonomous political subdivision and decided to separate from Orange County. Durham County was formed on April 17, 1881 from portions of land transferred into the county from Wake and Orange counties. In 1911, an additional portion of land was transferred into the county from Wake County.

The first Board of County Commissioners convened its initial meeting on May 2, 1881. Durham County operated under the Commission form of government with the chairman serving as chief administrator until 1930. The manager form of government was then adopted and D.W. Newsome became the first manager of Durham County serving until his death in 1949. E.S. Swindell, Jr. succeeded him and served until his retirement in December 1984. John P. Bond, III was named County Manager and served until his resignation in January of 1991. George H. Williams became the 4th County Manager and served until October 1995. David F. Thompson served as 5th County Manager from May 1996 until March 2000. Mike Ruffin was named County Manager in November 2000 and is currently serving in that capacity.

Durham is located at the pinnacle of North Carolina's famous Research Triangle Park ("RTP") which was formed in 1959 by Duke University in Durham, North Carolina State University in Raleigh and the University of North Carolina in Chapel Hill. Most of the currently developed portion of the Park, 75% of its 6,800 acres, is in Durham County. The RTP is home to more than 50 major research and development organizations.

The organizations sited in the Park, and in other locations within the County, represent some of America's and the world's largest and most prestigious corporate and government organizations in scientific and technical research. The internationally known Research Triangle Park is home to more than fifty (50) major research and development

organizations including IBM, GlaxoSmithKline and Nortel, to name a few. Approximately 40,000 people employed by the various firms in the park, earn an average annual salary of \$40,000.

The success of the RTP is evidenced by the growth of Durham County as a major center for health-care activity and as a focal point for high technology research business. Research being conducted in Durham County covers a broad range of fields such as biotechnology, medical instrumentation, health-care products, metallurgy, electronic hardware, software, digital switching, digital transmission, electronics and telecommunications. Research Triangle Park employs approximately 33,000 people. Other research and development organizations are located in the northern section of Durham County.

Durham County today has evolved from an agricultural and manufacturing economy to achieve world-class status. It has become one of the country's most desirable places to live. Durham County government has been a catalyst for economic development and the demand for public services continue to increase.

Voters approved a \$120 million bond issue in 1986 to fund necessary improvements to schools and public buildings, water and sewer infrastructure, law enforcement facilities, museums, historic properties, and community development. In 1991, voters approved an additional \$131 million in bonds to renovate and build schools, improve the North Carolina Museum of Life and Science and build a northern campus for Durham Technical Community College. In 2003, a bond referendum was approved by voters, giving the County authority to issue general obligation bonds in the amount of \$124 million for school facilities, library facilities, the NC Museum of Life and Science, and Durham Technical Community College.

These investments will help in preserving Durham County's quality of life the challenge is to provide the optimum living experience by balancing a fixed quantity of natural resources and an ever-increasing demand for development. More businesses, institutions, communities, homes and government services mandate "Smart Growth", hardly a new concept, but definitely as large a question for the future of Durham County.

DURHAM COUNTY - COMMUNITY INFORMATION

Date of incorporation: 1881

Form of government: Commission - Manager

Area: 299 Square Miles

Elevation: 406 feet

Climate:

Mean temperature: 59.0 F

Mean annual rainfall: 41.3 inches

Medical facilities:

Number of hospitals: 6

Number of beds: 1885

Education:

Higher education:

5 institutions

Public education:

Elementary: 28 schools

Middle: 8 schools

Senior High: 7 schools

Police protection (City)

Number of stations: 5

Number of officers: 477 Sworn

County Sheriff

Number of stations: 5

Number of officers: 159 Sworn

206 Detention Officers

Fire protection (City):

Number of stations: 14

Number of personnel: 281 Active

County volunteer fire protection:

Number of stations: 11

Number of personnel: 250

Communications (area):

Radio stations: 16

Television stations: 7

Newspapers (daily): 2

Recreation and culture:

Number of parks: 60

Number of 18-hole golf courses: 10

Number of parks with tennis courts: 11

Number of parks with basketball courts: 22

Swimming pools: 5

Number of libraries: 8

General Statistics:

FY	Population	Unemployment Rate	School Enrollment ADM
2001	229,929	3.4%	29,816
2002	230,000	6.1%	30,821
2003	237,000	5.6%	30,889
2004	242,000	4.2%	30,974
2005	246,924	4.5%	32,096

Major Employers:

AW North Carolina, Inc.

Blue Cross Blue Shield of NC

Cree, Inc.

Duke University & Medical Center

Durham City Government

Durham County Government

Durham Public Schools

Durham Regional Hospital

GlaxoSmithKline

IBM (International Business Machines)

Lenovo Group, Ltd.

Measurement Incorporated

Nortel Networks

North Carolina Central University

Quintiles Transnational

Research Triangle Institute

SunTrust Bank

US Environmental Protection Agency

Verizon

Veterans Administration Med. Center

Source: Durham Chamber of Commerce

Top Ten Taxpayers

Name	Type of Enterprise	% of Total Assessed Valuation
GlaxoSmithKline	Manufacturer	2.76%
IBM	Manufacturer	2.63%
Verizon South Inc.	Communications	1.12%
AW North Carolina Inc.	Manufacturer	1.09%
Duke Energy	Utility	0.81%
Cree Research	Manufacturer	0.58%
Highwoods/Forsyth	Real Estate	0.49%
State St. Bank & Trust	Finance	0.41%
Southpoint Mall LLC	Retail	0.40%
Vac Ltd. Partnership	Real Estate	0.32%
		<u>10.61%</u>